Guidance Roadmap

Target Affordability and Control Cost Growth

- Mandate affordability as a requirement
- Implement "should cost" based management
- * AT&L memo 24 Aug 2011 – Should –Cost and Affordability
  * AT&L memo 22 Apr 2011 – Will Cost/Should Cost
  * USA SAAL_ZR memo 10 June – Army Implementation of USD (AT&L Affordability Initiatives
  * USAF memo 15 June 2011 – Implementation of Will-Cost and Should Cost Management
  * SECNAV ASN-RDA memo 19 July2011 – Implementation of Should Cost Management
- Eliminate redundancy within warfighter portfolios
- Achieve Stable and economical production rates
- Manage program timelines

Incentivize Productivity & Innovation in Industry

- Reward contractors for successful supply chain and indirect expense management
- Increase Use of FPIF contract type
- Capitalize on progress payment structures
  * DPAP memo 27 April 2011 – Cash Flow Models
- Institute a superior supplier incentive program
- Reinvigorate industry's independent research and development

Promote Real Competition

- Emphasize competitive strategy at each program milestone
- Remove obstacles to competition
  - Allow reasonable time to bid

  *DPAP memo 27 April 2011/24 Nov 2010 –Improving Competition
  - Require non-certified cost and pricing data on single offers
  - Enforce open system architectures and set rules for acquisition of technical data rights
- Increase small business role and opportunities

  *DPAP memo 14 Jul y 2011 Use Government –wide Acquisition Contracts Set Aside Exclusively for Small Business

  *DPAP memo 27 June 2011 Increase Dynamic Business Roles in the Defense Marketplace

Improve Tradecraft in Acquisition of Services

- Assign senior managers for acquisition of services

  *Senior Manager's appointed by SAEs (Dec 2010/Jan 2011)
- Adopt uniform services market segmentation (taxonomy)

  * DPAP memo 23 Nov 2010 – Taxonomy for Acquisition of Services
- Address causes of poor tradecraft
  - Define requirements and prevent creep
  - Conduct market research
- Increase small business participation

  * DPAP memo 14 Jul y 2011 Use Government –wide Acquisition Contracts Set Aside Exclusively for Small Business

Reduce Non-Productive Processes and Bureaucracy

*PDUSD AT&L memo 14 Sept 2011 – Document Streamlining-Life-cycle Sustainment Plan

* PDUSD AT&L memo 18 July 2011 – Document Streamlining-Program Protection Plan

* PDUSD AT&L memo 23 June 2011 – Improving Milestone Process Effectiveness

* PDUSD AT&L memo 20 April 2011 – Document Streamlining-Program Strategies and SEP

- Reduce frequency of OSD level reviews

  * AT&L memo 11 May 2011 – Improving Technology Readiness Assessment Effectiveness
- Work with Congress to eliminate low value added statutory requirements
- Reduce the volume and cost of Congressional Reports
- Reduce non-value added requirements imposed on industry
- Align DCMA and DCAA processes to ensure work is complementary

  * DPAP memo 4 Jan 2010 – Align DCMA and DCAA
- Increase use of Forward Pricing Rate Recommendations (FPRRs) to reduce administrative costs

  * DPAP memo 4 Jan 2010 – Align DCMA and DCAA

Related Memos/DTMs:

PDUSD AT&L memo 19 July 2011– Roles & Responsibilities of the OSD OIPT Leaders, Teams and Team members

AT&L memo 23 June2011– DTM 11-009 – Acquisition Policy for Defense Business Systems

AT&L memo 21 March 2011– DTM 11-003 – Reliability Analysis, Planning, Tracking and Reporting

PDUSD AT&L memo 24 Feb 2011– Expected Business Practice: Post Critical Design Review Reports and Assessments

OMB memo 2 Feb 2011 – "Myth Busting"; Addressing Misconceptions to Improve Communications with Industry during the Acquisition Process